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**State of Wisconsin  
Governor Scott Walker**

**TO: Income Maintenance Supervisors  
Income Maintenance Lead Workers  
Income Maintenance Staff  
W-2 Agencies  
Workforce Development Boards  
Job Center Leads and Managers  
Training Staff  
Child Care Coordinators**

**FROM: Shawn Smith, Bureau Director  
Bureau of Enrollment Policy & Systems  
Division of Health Care Access and Accountability**

<b>BEPS/DFS OPERATIONS MEMO</b>					
<b>No: 13-19</b>					
<b>DATE: 06/10/2013</b>					
<b>FS</b>	<input type="checkbox"/>	<b>MA</b>	<input checked="" type="checkbox"/>	<b>BC+</b>	<input type="checkbox"/>
<b>SC</b>	<input type="checkbox"/>	<b>CTS</b>	<input type="checkbox"/>	<b>FSET</b>	<input type="checkbox"/>
<b>BC+ Basic</b>	<input type="checkbox"/>	<b>BC+ CORE</b>	<input type="checkbox"/>		
<b>CC</b>	<input type="checkbox"/>	<b>W-2</b>	<input type="checkbox"/>	<b>EA</b>	<input type="checkbox"/>
<b>CF</b>	<input type="checkbox"/>	<b>JAL</b>	<input type="checkbox"/>	<b>JC</b>	<input type="checkbox"/>
<b>RAP</b>	<input type="checkbox"/>	<b>WIA</b>	<input type="checkbox"/>	<b>Other</b>	<input type="checkbox"/> *
<b>EP</b>					

**SUBJECT: Private Pay Nursing Home Rate**

**CROSS REFERENCE:** MEH 17.5

**EFFECTIVE DATE:** July 1, 2013

**PURPOSE:**

This memo provides the update to the Nursing Home Private Pay daily rate used to determine a divestment penalty period.

**BACKGROUND:**

When Medicaid applicants or members are found to have transferred assets for less than fair market value, they must serve a "divestment penalty period" during which they are ineligible to receive Medicaid-funded long-term care services. The calculation of this penalty period is based on "the average monthly cost to a private patient of nursing facility services in the State (or, at the option of the State, in the community in which the individual is institutionalized) at the time of application."

The Federal Deficit Reduction Act of 2005 (DRA) requires that for all divestments that occur on or after January 1, 2009, the penalty periods are to be calculated in days and the daily rate determined by multiplying the average monthly rate by 12 and dividing by 365.

METHODOLOGY

The average nursing home private rate is calculated based on nursing home rate information from the 2013, Genworth Cost of Care Survey, conducted during January through March 2013. Nursing homes in the following regions (some comprised of multiple counties) were polled: Appleton, Eau Claire, Fond du Lac, Green Bay, Janesville, LaCrosse, Madison, Milwaukee, Oshkosh, Racine, Sheboygan, Wausau, and the balance of the state.

CALCULATION

The weighted calculation takes into account the median regional private pay daily rate for a semi-private room and the number of Institutional Medicaid members in the counties that comprise each region as of the end of April 2013.

Region	Counties	Median cost	Institutional MA pop.
Appleton	Calumet, Outagamie	\$233	509
Eau Claire	Chippewa, Eau Claire	\$204	480
Fond du Lac	Fond du Lac	\$214	326
Green Bay	Brown, Kewaunee, Oconto	\$222	818
Janesville	Rock	\$241	484
La Crosse	La Crosse	\$211	1,363
Madison	Columbia, Dane, Iowa	\$226	2,069
Milwaukee-Waukesha	Milwaukee, Ozaukee, Washington, Waukesha	\$291	3,957
Oshkosh-Neenah	Winnebago	\$257	511
Racine	Racine	\$268	491
Sheboygan	Sheboygan	\$246	400
Wausau	Marathon	\$255	391
(Balance)	(Remaining Counties)	\$233	7,561

The new average nursing home private pay rate is **\$7,406 per month**, or **\$243.49 per day**. Beginning July 1, 2013, use this monthly rate to calculate penalties for divestments occurring prior to January 1, 2009, and this daily rate to calculate penalties for divestments occurring on or after January 1, 2009. A revision to the Medicaid Eligibility Handbook will be made in a future release.

**CARES:**

A change to CARES reference table TASP will be made to use the new amount for divestment penalty calculations beginning July 1, 2013.

**CONTACTS:** BEPS CARES Information & Problem Resolution Center

\*Program Categories – FS – FoodShare, MA – Medicaid, BC+ – BadgerCare Plus, SC – Senior Care, CTS – Caretaker Supplement, CC – Child Care, W-2 – Wisconsin Works, FSET – FoodShare Employment and Training, BC+ Core – BadgerCare Plus Core, CF – Children First, EA – Emergency Assistance, JAL – Job Access Loan, JC - Job Center Programs, RAP – Refugee Assistance Program, WIA – Workforce Investment Act, Other EP – Other Employment Programs.

DHS/DHCAA/BEPS/FM